In the Public Works Department, the list of works has been re-examined and the budget allotment to the extent of Rs. 3 lakhs treated as surrendered.

Additional Taxation.

11. Elsewhere Governments have been obliged to resort to additional taxation and to effect drastic economies in order to maintain financial equilibrium. As a result of the normal growth in revenue and the careful husbanding of the resources of the State, it had been possible in the past to accumulate revenue surpluses, utilising only a fraction thereof for capital undertakings. As the year 1106 was preceded by a series of years in which revenue surpluses were possible, the financial condition of the Government is not one to cause any anxiety. Except in regard to Anchal rates and the duty on tobacco and allied articles of luxury, no enhancement of the burden of taxation has been made in the State. Compared with the rates in force in British India and in the neighbouring State of Cochin, the Travancore Anchal rates are, even after their enhancement to the maximum rates fixed by the Anchal Regulation, remarkably low. The tariff values and rates of duty on snuff, cigars, other kinds of manufactured Indian tobacco and cigarettes were revised and enhanced from the 1st Dhanu 1107. The duty on unmanufactured tobacco imported from British India and Ceylon has also been raised from the same date.

Land Mortgage Bank.

12. The question of establishing a land mortgage bank in order to relieve agricultural indebtedness has been under consideration for some years past. The need for such an organisation had been urged in this Assembly and formed the subject of a resolution in the Legislative Council. The Economic Development Board, the Banking Enquiry Committee, the Economic Depression Enquiry Committee and various co-operative conferences had also pressed the need for such a bank. Finally, His Highness the Maha Raja at the Investiture Durbar announced a donation of one lakh of rupees to serve as the nucleus of the initial capital for the proposed bank; and the Travancore State Land Mortgage Bank was opened on the 10th Makaram 1107. The Government have undertaken to advance from time to time towards the Bank's working capital funds to the extent of Rs. 4 lakhs at a rate of interest to be fixed by them, and they also propose later on to issue on their own responsibility and liability debentures for the purpose of augmenting the funds of the Bank. The Bank will supplement the operations under the Land Improvement and Agricultural Loans Regulation, IX of 1094, and will advance loans only for the liquidation of prior debts on land in the possession of the borrower and for the improvement of agricultural land. The Bank is a purely Government concern for the present and the management is vested in a board consisting of five officials and two nominated non-officials. The rules for the constitution, management and working of the Bank have been passed. The rate of interest has been fixed at seven and a half per cent. per annum.

LIBRARY ARCHIVES Kerala Legislative Assembly